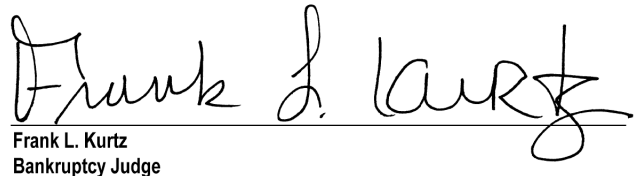


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2 **So Ordered.**



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Frank L. Kurtz
Bankruptcy Judge

Dated: January 28th, 2013

UNITED STATES BANKRUPTCY COURT
IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

In re:

No. **11-00243-FLK11**

P&M SPOKANE PROPERTIES, LLC,

Chapter 11

Debtor.

FINDINGS OF FACT

THIS MATTER coming before the Court for hearing on January 24, 2013, upon the issues raised by Debtor's -requests (1) for confirmation of Debtor's First Amended Plan of Reorganization, as amended per the "Second Amendment to Debtor's First Amended Plan of Reorganization Filed Herein on July 20, 2011", filed herein on December 6, 2012, under docket number 346 (together, the "Plan"), and (2) for the approval of the "Settlement Agreement" filed herein on December 6, 2012, under docket number 346, Exhibit #1, as modified as disclosed by counsel at the hearing, and based upon the evidence produced, the Court now makes the following:

Findings of Fact-1

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FINDINGS OF FACT

1. Debtor's First Amended Plan of Reorganization filed herein on July 20, 2011, as amended per the "Second Amendment to Debtor's First Amended Plan of Reorganization Filed Herein on July 20, 2011", filed herein on December 6, 2012, was submitted to Creditors and other parties in interest;

2. The Plan has been accepted in writing by the creditors and equity security holders whose acceptance is required by law;

3. The provisions of Chapter 11 of the United States Code have been complied with and the Plan has been proposed in good faith and not by any means forbidden by law;

4. (a) Each holder of a claim or interest has accepted the Plan or will receive or retain under the Plan property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Code on such date, or (b) the Plan does not discriminate unfairly, and is fair and equitable with respect to each class of claims or interests that is impaired under, and has not accepted the Plan;

5. All payments made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan or by any other person for services or for costs and expenses in, or in connection with, the Plan and incident to the case, have been fully disclosed to the Court and are reasonable and are hereby approved, or, if to be fixed after confirmation of the Plan, will be subject to approval of the Court;

Findings of Fact-2

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1 6. Confirmation of the Plan is not likely to be followed by the liquidation, or the
2 need for further financial reorganization of the Debtor, or (b) if the Plan is a plan of
3 liquidation, the Plan sets a time period in which liquidation will be accomplished, and
4 provides for the eventuality that the liquidation is not accomplished in that time period;

5 7. Pursuant to the Plan, the following acts or events constitute substantial
6 consummation of the Plan: sixty (60) days following Confirmation, provided that Debtor
7 has paid all installments provided by this Plan to be paid within that time;

8 8. Creditors were given Notice of Confirmation and no objections thereto were
9 made, or if made, have been withdrawn, resolved or overruled;

10 9. Pursuant to the Confirmation Order entered herein Debtor has the power and
11 authority to execute and deliver the Settlement Agreement and all instruments and
12 agreements described or contemplated therein (collectively the "Agreements"), and to
13 perform its obligations under each of the Agreements to which it is a party;

14 10. Debtor's execution and delivery of the Agreements and the continued
15 performance by Debtor of its obligations under the "Loan Documents" (as that term is
16 defined in the Second Loan Modification Agreement) to which it is a party is duly
17 authorized by the Confirmation Order and by all necessary action on the part of Debtor;

18 11. Pursuant to the Confirmation Order, Debtor's execution and delivery of the
19 Agreements, including the Second Loan Modification Agreement, and the performance by
20 Debtor of its obligations under the Loan Documents to which it is a party, do not and will
21 not contravene (a) any law or regulation binding on or affecting Debtor, (b) the certificate of
22 formation, operating agreement or other organizational documents of Debtor, (c) any
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Findings of Fact-3

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1 order, judgment or decree of any court or other governmental authority, or subdivision
2 thereof, binding on Debtor, or (d) any contractual restriction binding on or affecting Debtor;

3 12. Pursuant to the Confirmation Order, the Second Loan Modification
4 Agreement shall be duly executed and delivered by Debtor and be the binding obligation
5 of Debtor, enforceable against it in accordance with its terms;

6 13. Debtor is duly organized, validly existing and in good standing under the
7 laws of Washington, and is in compliance with all legal requirements applicable to doing
8 business in Washington. Debtor is not a "foreign person" within the meaning of Section
9 1445(f)(3) of the Internal Revenue Code;

10 14. The Agreements, including the Second Loan Modification Agreement, and
11 the execution of other documents contemplated thereby do not constitute the creation of a
12 new debt or the extinguishment of the debt evidenced by the Loan Documents, shall not
13 constitute a novation, nor will they in any way affect or impair the liens and security
14 interests created by the Loan Documents;

15 15. It is proper that "Settlement Agreement" filed herein on December 6, 2012,
16 as modified, be approved.

17 16. It is proper that the Plan be confirmed.

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20 ///END OF ORDER///

21 PRESENTED BY:

22 SOUTHWELL & O'ROURKE, P.S.

23
24 BY: s/ Dan O'Rourke
25 DAN O'ROURKE, WSBA #4911

Findings of Fact-4

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